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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

15 June 1951

MEMORANDUM FOR THE BOARD

FROM: [REDACTED] 25X1A9a

SUBJECT: Analysis of IAC Contributions to NIE-34: Spain's Potentialities in Western Defense.

This memorandum is in four parts. Part I is devoted to a brief, summary outline of the form NIE-34 might take. Part II explains the difficulties of completing the estimate on the basis of contributions received from the IAC agencies. Part III presents the alternatives facing O/NE. Part IV is a partial list of the questions O/NE might submit to the IAC agencies in an attempt to obtain the information considered necessary for any adequate estimate of Spain's Potentialities in Western Defense.

PART I

Suggested Outline of NIE-34.

1. Strategic Importance. Spain's potential for contributing to US security and the defense of Western Europe derives primarily from Spain's geographic location as a site for bases (naval and air), a staging and supply area and a possible evacuation area, as well as from its resources of manpower and certain raw materials.

2. Basic Weaknesses. Under ideal conditions, realization of Spain's potential for contributing to Western defense would require substantial outside aid; the task is made additionally difficult and complex as a result of existing political, economic and military conditions in both Spain and Western Europe.

a. Political: Political obstacles to utilization of Spain's military potential stem basically from the existence of a syndicalist or fascist dictatorship under Generalissimo Franco which is not only unpopular at home and unstable, but is distasteful to almost all the democratic European allies of the US. The Franco regime is more unstable than at any time since World War II; prospects for a more liberal regime are slight; Franco

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cannot "democratize" his regime without risk of losing his control; outside economic aid would strengthen the regime and run the risk of turning the Spanish people against the foreign country supplying the aid; a US move to strengthen Spain, economically and militarily, would encounter strong opposition from the other NATO powers, who are ideologically opposed to the Franco regime, who would fear that the US were more interested in liberating than defending Western Europe, and who would also fear that any aid to Spain would mean a corresponding reduction in the US contribution to the defense of Western Europe. Association of Spain with Western defense would also be exploitable by Soviet propaganda.

b. Economic: The Spanish economy at the present time presents an almost unrelieved picture of stagnation and deterioration. The Government has concentrated on the limited expansion of certain industries (hydroelectric power, cement, coal and steel) at the expense of agriculture, transportation and the whole supporting structure of the economy -- housing, roads, farm structures, ports and harbors, etc. Plant and equipment deterioration has been marked. It is estimated that close to \$2 billion would be required to achieve a recovery comparable to that achieved since World War II in most Western European countries.

c. Military: The Spanish Army, Navy and Air Force are adequate for the preservation of internal security, but would be unable to engage effectively in modern warfare. Equipment is scarce and obsolete.

Such a general overall estimate of political, economic and military conditions in Spain should merely serve as an introduction to the guts of the paper, namely, an estimate of Spanish capabilities for realizing its potential contribution to US security and the defense of Western Europe. In view of the NSC policy decision already laid down, it would seem that the only real contribution intelligence can make at this juncture is to present in some detail: (a) what Spain can contribute to the implementation of a US-Spanish military base agreement, to the strengthening of its own defenses and as a member of NATO; and (b) the problems to be faced and the ramifications that would result from implementing each of these courses of action.

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PART II

IAC Contributions

It is in this section that the IAC contributions are woefully inadequate. The conclusions presented are themselves too general to be of any value, and, in addition, those presented by the Defense agencies cannot be reconciled with the economic estimate presented by State. In addition, the contributions contain few if any of the factual material which the planners would need in working out any of the proposed courses of action.

Take first the question of Spanish bases. The contributions go to some length to show how important Spanish bases could be. They then proceed to list the major air, naval and supply bases. In the case of the air bases, the length of the runways is described and the type of planes that could use them. No mention is made of gasoline storage facilities, communications equipment, barracks facilities, the amount of supplies that could be transported to them over existing rail and road networks, the loading facilities at ports through which US supplies would have to pass, etc. In other words, the implication is strong that these bases exist, would be valuable and are virtually ready for occupancy by US forces. On the other hand, the economic contribution from State, though general in nature, leaves the very definite impression that port and transportation facilities are barely adequate to support Spain's presently low internal requirements, that Spain would have difficulty supplying even such materials as coal, power, and food, to say nothing of housing, equipment, communications, etc. In other words, State's economic estimate leaves the impression that the US would have to supply everything needed for the operation of these bases except that bare minimum now being supplied the Spanish forces which presumably could not be diverted to US use.

Defense handling of the contributions Spain could make to the implementation of a US program to strengthen Spanish defenses is even less adequate. It reads in full: "Spain could: (a) improve the quality of the training of its present armed forces; (b) increase the number of ground combat units; (c) increase substantially the production of munitions; and (d) employ the Spanish Fleet for patrol, escort, and mine warfare (This will require US supply of modern fire control, electronic, and sonar equipment and up-to-date ASW and mine warfare weapons)." Nowhere is there any discussion of such matters as the problems involved in improving the quality of training present armed forces, what value improved training would be without adequate supplies of modern weapons, how many more ground combat units the present economy could support, and so on ad infinitum. In addition to these practical considerations, no attention is given to the more complex and basic questions of: how large a military

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establishment could the Spanish economy support if it were put on its feet with US aid, would it be possible, and how long would it take for the Spaniards to develop an army capable of defending itself from armed invasion, to what extent and in what fields would US aid be required, etc.

PART III

Alternatives Facing O/NE

The alternatives facing O/NE at the moment are roughly these:

1. Write a very brief, generalized estimate pointing out what is generally known -- that Spain has considerable unrealized potential for aiding Western defense. The political and general economic problems involved in realizing this potential are adequately covered in the State estimate. However, on the basis of existing contributions one would have to say -- again in the most general terms only -- that realization of this potential could only be possible if the US were to rehabilitate the entire economy and provide the great majority of all the equipment and supplies necessary for the operation of any bases and for the strengthening of Spanish defenses. Such an estimate would no doubt please the State Department, but would have great difficulty gaining the approval of the Defense agencies. Moreover, it would be of doubtful value. It would have little influence on policy and would lack the quantitative and qualitative material needed by the planners.

2. Request from the Defense agencies, by means of a detailed questionnaire, the material necessary for a meaningful discussion of what Spain itself can contribute toward the implementation of a military base agreement, strengthening its own defenses and as a member of NATO. Such an estimate could or could not include a fairly lengthy factual presentation. In any event, additional information will be necessary before even a brief estimate of Spain's Potentialities in Western Defense can be written.